



**SKY METALS LIMITED**  
and its controlled entities

A.B.N. 46 098 952 035

**INTERIM FINANCIAL REPORT  
FOR THE HALF-YEAR ENDED  
31 DECEMBER 2024**

**SKY METALS LIMITED  
AND ITS CONTROLLED ENTITIES**

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**SKY METALS LIMITED  
AND ITS CONTROLLED ENTITIES**

**DIRECTORS' REPORT**

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The Directors of Sky Metals Limited (the 'Company' or 'Sky') present their report together with the condensed consolidated interim financial report and the auditor's review report thereon for the half-year ended 31 December 2024.

**Directors**

The names and particulars of the Directors of the Company at any time during or since the end of the half-year are:

**Norman Alfred Seckold, Chairman**

Director since 4 December 2001

Norman Seckold graduated with a Bachelor of Economics degree from the University of Sydney in 1970. He has spent more than 40 years in the full time management of natural resource companies, both in Australia and overseas, including the role of Chairman for a number of publicly listed companies.

Mr Seckold is currently Chairman of process technology company Alpha HPA Limited, and Executive Chairman of Nickel Industries Limited a nickel mining and production company operating in Indonesia.

**Oliver Davies, Managing Director**

Director since 30 September 2024

Mr Davies joined SKY as a geologist in 2019. He was appointed to Exploration Manager in 2021, then to CEO in early 2022 and subsequently to Managing Director in September 2024. Prior to SKY, Mr Davies was in exploration and operational roles with Evolution Mining and Alkane Resources in NSW and Qld. Mr Davies has worked closely on several successful NSW discoveries including Evolution Mining's significant expansion of the Lake Cowal gold resource and with Alkane's regional exploration success at Tomingley and Boda.

**Rimas Kairaitis**

Director since 20 June 2019

Mr Kairaitis is a minerals industry executive with over 25 years' experience in minerals exploration, project development, mineral processing and company management in gold, base metals industrial minerals and speciality materials. From 2006-2016 Mr Kairaitis was the founding Managing Director and CEO of Aurelia Metals Limited (ASX: AMI), which he steered from a junior exploration company to a profitable NSW based gold and base metals producer.

Mr Kairaitis is also the Managing Director of process technology company Alpha HPA Limited (ASX: A4N).

**Richard Grant Manners Hill**

Director since 20 June 2019

Mr Hill is a geologist and solicitor with over 25 years' experience in the resources sector. He has performed roles as commercial manager and geologist for several mid-cap Australian mining companies and as Director and Chairman for a series of successful ASX-listed companies including a founding Director for Aurelia Metals Limited (ASX:AMI) and Chairman of Genesis Minerals Ltd. He is currently the Chairman of New World Resources Limited (ASX: NWC), and Chairman of Accelerate Resources Limited. In addition to his corporate, commercial and fund raising roles, Mr Hill has practical geological experience as a mine based and exploration geologist in a range of commodities worldwide.

**SKY METALS LIMITED  
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**DIRECTORS' REPORT**

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**Company Secretary**

**Richard Willson**

Company Secretary since 31 July 2019

Richard is an experienced, Non-Executive Director, Company Secretary and CFO with more than 20 years' experience predominantly within the resources, technology, and agricultural sectors for both publicly listed and private companies.

Richard has a Bachelor of Accounting from the University of South Australia, is a Fellow of CPA Australia, and a Fellow of the Australian Institute of Company Directors. He is a Non-Executive Director of Titomic Limited (ASX:TTT), Clara Resources Limited (ASX:C7A), Orpheus Uranium Limited (ASX:ORP), MedTEC Holdings Ltd, and Unity Housing Company Ltd; and Company Secretary of a number of ASX Listed Companies.

**Operating and financial review**

The activities of Sky Metals Limited and its controlled entities (the 'Group') during the half-year ended 31 December 2024 include the following:

- Drilling to expand the existing MRE and explore recent higher-grade extensions to the tin deposit at the Tallebung Tin Project.
- Continued Metallurgical and ore sorting studies on the Tallebung Project tin mineralisation.
- Commenced trenching and continued project studies at the Tallebung Tin Project.
- Undertook a \$6 Million Placement to Advance the Tallebung Tin Project.

These activities have substantially progressed the Tallebung Tin Project towards potential development.

**Financial Position and Performance**

- The Group recognised a loss for the half year period ended 31 December 2024 of \$1,369,054 (31 December 2023: loss of \$949,986). The net assets of the Group at 31 December 2024 were \$21,904,371 (30 June 2024: \$17,142,260) including cash of \$2,375,252 (30 June 2024: \$3,255,060) and short-term deposits of \$4,000,000 (30 June 2024: nil).
- During the period the Group used a total of \$2,580,893 (31 December 2023: \$2,646,394) of cash in operating activities and exploration and evaluation activities.

**Subsequent Events**

There has not arisen in the interval between the end of the half-year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

**Lead auditor's independence declaration**

The lead auditor's independence declaration is set out on page 3 and forms part of the Directors' Report for the six months ended 31 December 2024.

Signed at Orange this 13<sup>th</sup> day of March 2025 in accordance with a resolution of the Board of Directors:



**Norman A. Seckold**  
Chairman



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

To the Directors of Sky Metals Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Sky Metals Limited for the half-year ended 31 December 2024 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.

A blue ink stamp of the KPMG logo, featuring the letters 'KPMG' in a bold, sans-serif font, with a stylized graphic of four vertical bars of increasing height to the left of the text.

KPMG

A blue ink signature of Adam Twemlow, consisting of a stylized, cursive 'A' followed by a series of loops and a final flourish.

Adam Twemlow  
*Partner*

Brisbane  
13<sup>th</sup> March 2025

**SKY METALS LIMITED  
AND ITS CONTROLLED ENTITIES**

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

	Notes	31 December 2024 \$	31 December 2023 \$
<b>Revenue</b>			
Other income		6,000	6,000
<b>Expenses</b>			
Consultancy and administration expenses		(486,909)	(266,805)
Depreciation and amortisation expense		(69,251)	(72,650)
Employee and director expenses		(769,768)	(544,466)
Other expenses		(94,579)	(88,664)
<b>Operating loss before finance income</b>		<b>(1,414,507)</b>	(966,585)
Finance income		61,815	36,242
Finance expense		(16,362)	(19,643)
<b>Net finance income</b>		<b>45,453</b>	16,599
<b>Loss before tax</b>		<b>(1,369,054)</b>	(949,986)
Income tax expense		-	-
<b>Loss for the period</b>		<b>(1,369,054)</b>	(949,986)
Other comprehensive income for the period, net of tax		-	-
<b>Total comprehensive loss for the period</b>		<b>(1,369,054)</b>	(949,986)
<b>Total comprehensive loss attributable to:</b>			
Owners of the Company		(1,369,054)	(949,986)
Non-controlling interest		-	-
<b>Total comprehensive loss for the period</b>		<b>(1,369,054)</b>	(949,986)
Earnings per share			
Basic and diluted loss per share (cents)		(0.22)	(0.21)

The above Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income should be read  
in conjunction with the accompanying notes

**SKY METALS LIMITED  
AND ITS CONTROLLED ENTITIES**

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2024**

	Notes	31 December 2024 \$	30 June 2024 \$
<b>Current assets</b>			
Cash and cash equivalents		2,375,252	3,255,060
Trade and other receivables		90,689	66,587
Term deposits		4,000,000	-
Other current assets		-	21,750
<b>Total current assets</b>		<b>6,465,941</b>	<b>3,343,397</b>
<b>Non-current assets</b>			
Investments		231	231
Exploration and evaluation expenditure	5	15,633,049	14,387,987
Property, plant and equipment	4	362,537	430,156
Other non-current assets		229,080	255,980
<b>Total non-current assets</b>		<b>16,224,897</b>	<b>15,074,354</b>
<b>Total assets</b>		<b>22,690,838</b>	<b>18,417,751</b>
<b>Current liabilities</b>			
Trade and other payables		348,180	816,321
Lease liability		70,058	64,695
Employee benefits payable		109,835	96,580
<b>Total current liabilities</b>		<b>528,073</b>	<b>977,596</b>
<b>Non-current liabilities</b>			
Long service leave		12,669	10,124
Lease liability		245,725	287,771
<b>Total non-current liabilities</b>		<b>258,394</b>	<b>297,895</b>
<b>Total liabilities</b>		<b>786,467</b>	<b>1,275,491</b>
<b>Net assets</b>		<b>21,904,371</b>	<b>17,142,260</b>
<b>Equity</b>			
Issued capital	6	87,205,304	81,613,572
Fair value reserve	7	231	231
Option premium reserves	7	980,051	972,900
Accumulated losses		(66,281,215)	(65,444,443)
<b>Total equity attributable to equity holders of the Company</b>		<b>21,904,371</b>	<b>17,142,260</b>
Non-controlling interest		-	-
<b>Total equity</b>		<b>21,904,371</b>	<b>17,142,260</b>

The above Condensed Consolidated Interim Statement of Financial Position should be read  
in conjunction with the accompanying notes

**SKY METALS LIMITED  
AND ITS CONTROLLED ENTITIES**

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024**

	Notes	Issued capital \$	Fair value & option reserve \$	Accumulated losses \$	Total \$	Non-controlling interest \$	Total equity \$
Balance at 1 July 2023		77,238,006	614,314	(63,373,829)	14,478,491	18,220	14,496,711
<b>Total comprehensive income for the period</b>							
Loss for the period		-	-	(949,986)	(949,986)	-	(949,986)
Total comprehensive loss for the period		-	-	(949,986)	(949,986)	-	(949,986)
<b>Transactions with owners recorded directly in equity</b>							
Share issue	6	307,858	-	-	307,858	-	307,858
Options issued		-	10,998	-	10,998	-	10,998
Expired options		-	(69,450)	69,450	-	-	-
Share options – share based payments		-	260,823	-	260,823	-	260,823
Acquisition of remaining non-controlling interest		-	-	(300,636)	(300,636)	(18,220)	(318,856)
<b>Balance at 31 December 2023</b>		<b>77,545,864</b>	<b>816,685</b>	<b>(64,555,001)</b>	<b>13,807,548</b>	<b>-</b>	<b>13,807,548</b>
Balance at 1 July 2024		81,613,572	973,131	(65,444,443)	17,142,260	-	17,142,260
<b>Total comprehensive income for the period</b>							
Loss for the period		-	-	(1,369,054)	(1,369,054)	-	(1,369,054)
Total comprehensive loss for the period		-	-	(1,369,054)	(1,369,054)	-	(1,369,054)
<b>Transactions with owners recorded directly in equity</b>							
Share issue	6	6,050,000	-	-	6,050,000	-	6,050,000
Costs of Issue		(464,118)	-	-	(464,118)	-	(464,118)
Exercise of Employee Performance Rights	6	5,850	(5,850)	-	-	-	-
Expired options	7	-	(532,282)	532,282	-	-	-
Share options – share based payments	7	-	545,283	-	545,283	-	545,283
<b>Balance at 31 December 2024</b>		<b>87,205,304</b>	<b>980,282</b>	<b>(66,281,215)</b>	<b>21,904,371</b>	<b>-</b>	<b>21,904,371</b>

The above Condensed Consolidated Interim Statement of Changes in Equity should be read in conjunction with the accompanying notes

**SKY METALS LIMITED  
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**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024**

	31 December 2024 \$	31 December 2023 \$
<b>Cash flows from operating activities</b>		
Cash receipts in the course of operations	6,000	6,000
Cash payments in the course of operations	<u>(805,543)</u>	<u>(745,730)</u>
Cash used in operations	<u>(799,543)</u>	<u>(739,730)</u>
Interest received	61,815	36,242
Interest paid	<u>(16,362)</u>	<u>(19,643)</u>
<b>Net cash used in operating activities</b>	<u>(754,090)</u>	<u>(723,131)</u>
<b>Cash flows from investing activities</b>		
Investment in term deposits	(4,000,000)	-
Payments for exploration and evaluation expenditure	(1,826,803)	(1,923,263)
Payments for plant and equipment	(1,632)	(1,545)
Proceeds from (payments for) investments in security deposits	<u>36,899</u>	<u>(15,080)</u>
<b>Net cash used in investing activities</b>	<u>(5,791,536)</u>	<u>(1,939,888)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issue of share capital	6,000,000	-
Share Issue Costs	(297,501)	-
Payment for the principal portion of lease liabilities	<u>(36,681)</u>	<u>(51,500)</u>
<b>Net cash from (used in) financing activities</b>	<u>5,665,818</u>	<u>(51,500)</u>
Net decrease in cash and cash equivalents	(879,808)	(2,714,519)
Cash and cash equivalents at the beginning of the half year	<u>3,255,060</u>	<u>3,835,460</u>
<b>Cash and cash equivalents at the end of the half year</b>	<u><u>2,375,252</u></u>	<u><u>1,120,941</u></u>

The above Condensed Consolidated Interim Statement of Cash Flows should be read  
in conjunction with the accompanying notes

**SKY METALS LIMITED  
AND ITS CONTROLLED ENTITIES**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024**

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**NOTE 1 - REPORTING ENTITY**

Sky Metals Limited ("Sky" or the 'Company') is a company domiciled in Australia. The condensed consolidated interim financial statements of the Company as at and for the half-year ended 31 December 2024 comprise the Company and its subsidiaries (together referred to as the 'Group'). The Group is a for-profit entity, primarily engaged in identifying and evaluating mineral resources opportunities in New South Wales.

The consolidated financial statements of the Group as at and for the year ended 30 June 2024 are available upon request from the Company's registered office at 2 Hawthorn Place, Orange, NSW, 2800 or at [www.skymetals.com.au](http://www.skymetals.com.au)

**NOTE 2 - BASIS OF PREPARATION**

**(a) Statement of compliance**

The condensed consolidated interim financial statements are general purpose financial statements prepared in accordance with the requirements of the *Corporations Act 2001* and Accounting Standard AASB 134 *Interim Financial Reporting*. The condensed consolidated interim financial statements of the Group comply with International Financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Board ('IASB').

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last consolidated financial statements as at and for the year ended 30 June 2024

The condensed consolidated interim financial statements do not include full disclosures of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report as at and for the year ended 30 June 2024 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the ASX Listing Rules.

These condensed consolidated interim financial statements were approved by the Board of Directors on 13 March 2025.

**(b) Going concern**

The condensed consolidated interim financial statements have been prepared on a going concern basis, which contemplates the realisation of assets and settlement of liabilities in the ordinary course of business.

The Group recorded a loss after tax for the half-year ended 31 December 2024 of \$1,369,054 (31 December 2023: \$949,986). At 31 December 2024 the Group had cash and cash equivalents of \$2,375,252 (30 June 2024: \$3,255,060) and short-term deposits of \$4,000,000 (30 June 2024: nil) and net assets of \$21,904,371 (30 June 2024: \$17,142,260).

The Group's main activity is exploration and as such it does not presently have a source of operating income, rather it is reliant on equity raisings or funds from other external sources to fund its activities.

The Directors have prepared cash flow forecasts that support the ability of the Group to continue as a going concern for the period of at least 12 months from the date of the directors' declaration. These cash flow projections include significant ongoing expenditure on exploration and evaluation activities and assume the Group receives sufficient additional funding from shareholders or other parties. If such funding is not achieved, the Group plans to reduce expenditure in line with available funding.

These conditions give rise to a material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern. The ongoing operation of the Group is dependent upon the Group raising additional funding from shareholders or other parties and the Group reducing expenditure in line with available funding.

**SKY METALS LIMITED  
AND ITS CONTROLLED ENTITIES**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024**

**NOTE 2 - BASIS OF PREPARATION (CONT'D)**

In the event that the Group does not obtain additional funding and reduce expenditure in line with available funding, the achievement of which is inherently uncertain until secured or realised, it may not be able to continue its operations as a going concern and therefore may not be able to realise its assets and extinguish its liabilities in the ordinary course of operations and at the amounts stated in the condensed consolidated interim financial statements. No allowance for such circumstances has been made in the condensed consolidated interim financial statements.

**(c) Use of estimates and judgements**

The preparation of the condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the condensed consolidated interim financial statements are described in:

- Note 2(b) - Going concern
- Note 5 - Exploration and evaluation expenditure
- Note 7 – Share based payments

**NOTE 3 - MATERIAL ACCOUNTING POLICIES**

The accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year-ended 30 June 2024.

**NOTE 4 – PROPERTY, PLANT AND EQUIPMENT**

	<b>31 December</b>	<b>30 June</b>
	<b>2024</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
Motor vehicles	<b>25,948</b>	43,390
Office equipment	<b>13,345</b>	15,624
Plant and equipment	<b>46,519</b>	53,921
Right of use asset	<b>276,725</b>	317,221
Net book value	<b>362,537</b>	430,156
<b>Motor Vehicles</b>		
Carrying amount at beginning of period	<b>43,390</b>	81,874
Disposals	-	(314)
Depreciation	<b>(17,442)</b>	(38,170)
Net book value	<b>25,948</b>	43,390
<b>Office Equipment</b>		
Carrying amount at beginning of period	<b>15,624</b>	21,734
Additions	-	1,545
Depreciation	<b>(2,279)</b>	(7,655)
Net book value	<b>13,345</b>	15,624

**SKY METALS LIMITED  
AND ITS CONTROLLED ENTITIES**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024**

**NOTE 4 – PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

	31 December 2024 \$	30 June 2024 \$
<b>Plant &amp; Equipment</b>		
Carrying amount at beginning of period	53,921	73,536
Additions	1,632	-
Disposals	-	(3,617)
Depreciation	(9,034)	(15,998)
Net book value	<u>46,519</u>	<u>53,921</u>
<b>Right of use asset</b>		
Carrying amount at beginning of period	317,221	398,214
Depreciation	(40,496)	(80,993)
Net book value	<u>276,725</u>	<u>317,221</u>

**NOTE 5 - EXPLORATION AND EVALUATION EXPENDITURE**

EL 6699 Tallebung	7,980,773	6,892,576
EL 6258 Doradilla	5,489,235	5,415,808
EL 9524 Narriah	435,422	358,164
EL 6320 Galwadgere	600,000	600,000
EL 7954 Cullarin	-	-
EL 8400 & EL 8573 Kangiara	-	-
EL 8920 Caledonian	-	-
EL 6064 Iron Duke	1,080,456	1,079,322
EL 9120 Murrum	-	-
EL 9191 Albert	47,163	42,117
Net book value	<u>15,633,049</u>	<u>14,387,987</u>
EL 6699 Tallebung		
Carrying amount at beginning of period	6,892,576	3,775,792
Additions	1,088,197	3,116,784
Net book value	<u>7,980,773</u>	<u>6,892,576</u>
EL 6258 Doradilla		
Carrying amount at beginning of period	5,415,808	5,296,678
Additions	73,427	119,130
Net book value	<u>5,489,235</u>	<u>5,415,808</u>
EL 9524 Narriah		
Carrying amount at beginning of period	358,164	12,834
Additions	77,258	345,330
Net book value	<u>435,422</u>	<u>358,164</u>
EL 6320 Galwadgere		
Carrying amount at beginning of period	600,000	600,000
Additions	-	-
Net book value	<u>600,000</u>	<u>600,000</u>

**SKY METALS LIMITED  
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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024**

**NOTE 5 - EXPLORATION AND EVALUATION EXPENDITURE (CONT'D)**

	31 December 2024 \$	30 June 2024 \$
EL 7954 Cullarin		
Carrying amount at beginning of period	-	-
Additions	8,446	8,287
Write Down	(8,446)	(8,287)
Net book value	-	-
EL 8400 & EL 8573 Kangiara		
Carrying amount at beginning of period	-	-
Additions	20,266	2,710
Write Down	(20,266)	(2,710)
Net book value	-	-
EL 8920 Caledonian		
Carrying amount at beginning of period	-	-
Additions	2,356	29,243
Write Down	(2,356)	(29,243)
Net book value	-	-
EL 6064 Iron Duke		
Carrying amount at beginning of period	1,079,322	1,062,003
Additions	1,134	17,319
Net book value	1,080,456	1,079,322
EL 9120 Murrum		
Carrying amount at beginning of period	-	-
Additions	-	4,330
Written Off	-	(4,330)
Net book value	-	-
EL 9191 Albert		
Carrying amount at beginning of period	42,117	36,183
Additions	5,046	5,934
Net book value	47,163	42,117

The ultimate recoupment of exploration and evaluation expenditure is dependent on the successful development and commercial exploitation, or alternatively sale of the respective areas of interest.

**SKY METALS LIMITED  
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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024**

**NOTE 6 - ISSUED CAPITAL**

	6 Months to 31 December 2024		6 Months to 31 December 2023	
	Number	\$	Number	\$
<b>Ordinary shares, fully paid at start of period</b>	<b>589,553,166</b>	<b>81,613,572</b>	454,556,796	77,238,006
Exercise of employee performance rights	150,000	5,850	-	-
Issue of shares to Managing Director	1,000,000	50,000	-	-
Placement of ordinary shares at \$0.05	87,600,000	4,380,000	-	-
Placement of ordinary shares at \$0.05	32,400,000	1,620,000	-	-
Acquisition of remaining NCI	-	-	6,841,294	307,858
Less cost of issue	-	(464,118)	-	-
<b>Balance at end of period</b>	<b>710,703,166</b>	<b>87,205,304</b>	461,398,090	77,545,864

On 2 October 2024, the Group issued 150,000 shares upon the exercise of employee performance rights.

On 2 October 2024, the Group issued 1 million shares at \$0.05 per share to Mr Oliver Davies upon his appointment as Managing Director.

On 8 November 2024, the Group issued 87.6 million shares under tranche 1 of a share placement at \$0.05 per share.

On 20 December 2024, the Group issued 32.4 million shares under tranche 2 of a share placement at \$0.05 per share.

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

**NOTE 7 - RESERVES**

	31 December 2024 \$	30 June 2024 \$
<b>Fair value reserve</b>		
Balance at start of period	231	231
Net change in fair value of financial assets	-	-
<b>Balance at end of the period</b>	<b>231</b>	<b>231</b>
<b>Option premium reserve</b>		
Balance at start of period	972,900	614,083
Vesting of Employee Performance Rights	278,713	524,289
Vesting of Director Performance Rights	99,953	100,880
Exercise of Employee Performance Rights	(5,850)	(19,500)
Vesting of Broker Options	166,617	-
Lapsed Performance Rights	(448,881)	-
Lapsed Options	(83,401)	(257,850)
Acquisition of Balmain Minerals Pty Ltd	-	10,998
<b>Balance at end of the period</b>	<b>980,051</b>	<b>972,900</b>

The option premium reserve is used to recognise the grant date fair value of options and performance rights issued but not exercised separately within equity.

**SKY METALS LIMITED  
AND ITS CONTROLLED ENTITIES**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024**

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**NOTE 7 – RESERVES (CONT'D)**

During the period to 31 December 2024, share based payment expense of \$378,666 was recorded in the profit and loss. The expense includes vesting of director and employee performance rights during the period ended 31 December 2024 and vesting of share based payments issued in prior reporting periods. A further \$166,617 share based payment expense was recorded as a transaction cost and accounted for as a deduction against equity as the services provided by non-employees were directly attributable to the capital raise that occurred in November 2024 and December 2024.

On 2 October 2024, the Company issued 1 million performance rights to Oliver Davies upon his appointment as Managing Director. The Performance Rights convert to ordinary fully paid shares in SKY at no cost 12 months from the date of appointment as Managing Director.

On 4 December 2024, the Company issued 15 million performance rights to directors, as approved by shareholders at the 2023 AGM held on 25 November 2024. The Performance Rights convert to ordinary fully paid shares in SKY at no cost when the following performance criteria are met:

- 5 million performance rights vest upon SKY's 5 day VWAP share price reaching 6.5 cents before 4 December 2027 (tranche 1), and
- 5 million performance rights vest upon SKY's 5 day VWAP share price reaching 8 cents before 4 December 2027 (tranche 2), and
- 5 million performance rights vest upon SKY's 5 day VWAP share price reaching 10 cents before 4 December 2027 (tranche 3).

The fair value of the market based performance rights was \$674,730. The performance rights were valued using a Monte Carlo simulation model. The model inputs were the Company's share price of \$0.052 at the grant date 25 November 2024, a volatility factor of 75% based on historical share price performance, and a risk-free interest rate of 4.05%.

The recipient of the above performance rights must remain an officer of SKY at the time of achieving the above performance criteria, unless otherwise determined by the Board at its absolute discretion.

Set out below is the summary of 5 million performance rights granted to directors which is consistent across the three tranches detailed above:

<b>Directors</b>	<b>Number of Performance Rights</b>
Oliver Davies	2,000,000
Richard Hill	1,000,000
Rimas Kairaitis	1,000,000
Norman Seckold	1,000,000
	<u>5,000,000</u>

On 12 December 2024, the Company issued 10 million options as consideration for services performed in relation to the capital raise that was completed on 8 November 2024.

**NOTE 8 – RELATED PARTY TRANSACTIONS**

*Transactions with Key Management Personnel*

In addition to 1 million shares and 1 million performance rights issued to Mr Oliver Davies and the 15 million performance rights issued to directors as outlined in Notes 6 and 7, Mr Olivier Davies was appointed as Managing Director of the Company and his remuneration effective from 30 September 2024 is \$310,000 per annum to be settled in cash.

**NOTE 9 - SUBSEQUENT EVENTS**

There has not arisen in the interval between the end of the half-year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

**SKY METALS LIMITED  
AND ITS CONTROLLED ENTITIES**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024**

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**NOTE 10 - OPERATING SEGMENTS**

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (the chief operating decision makers) in assessing performance and determining the allocation of resources. The Group is managed primarily on a geographical basis which involves the exploration of minerals in New South Wales, Australia. Operating segments are determined on the basis of financial information reported to the board which is at the consolidated entity level.

Accordingly, management currently identifies the Group as having only one operating segment, being mineral exploration. The financial results from this segment are equivalent to the financial statements of the consolidated Group as a whole.

**SKY METALS LIMITED  
AND ITS CONTROLLED ENTITIES**

**DIRECTORS' DECLARATION**

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In the opinion of the Directors of Sky Metals Limited (the Company):

- (1) the condensed consolidated interim financial statements and notes set out on pages 4 to 14, are in accordance with the *Corporations Act 2001*, including:
  - (a) giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
  - (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- (2) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed at Orange this 13<sup>th</sup> day of March 2025  
in accordance with a resolution of the Board of Directors:



**Norman A. Seckold**  
Chairman

# Independent Auditor's Review Report

To the shareholders of Sky Metals Limited

## Conclusion

We have reviewed the accompanying **Interim Financial Report** of Sky 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 **Interim Financial Report** of Sky Metals Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 31 December 2024 and of its performance for the **Interim Period** ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Interim Financial Report** comprises:

- Condensed Consolidated interim statement of financial position as at 31 December 2024
- Condensed Consolidated interim statement of profit or loss and other comprehensive income, Condensed Consolidated interim statement of changes in equity and Condensed Consolidated interim statement of cash flows for the Interim Period ended on that date
- Notes 1 to 10 comprising a summary of material accounting policies and other explanatory information.
- The Directors' Declaration.

The **Group** comprises Sky Metals Limited (the Company) and the entities it controlled at the Interim Period's end or from time to time during the Interim Period.

The **Interim Period** is the six months ended on 31 December 2024.

## 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 Group 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.



### Material uncertainty related to going concern

We draw attention to Note 2(b), "Going Concern" in the Interim Financial Report. The events or conditions disclosed in Note 2(b), indicate a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the Interim Financial Report. Our conclusion is not modified in respect of this matter.

### Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

- the preparation of the Interim 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 Interim 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 Interim Financial Report

Our responsibility is to express a conclusion on the Interim 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 Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the Interim Period ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an Interim 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

Adam Twemlow  
Partner

Brisbane  
13 March 2025

**SKY METALS LIMITED  
AND ITS CONTROLLED ENTITIES**

**CORPORATE DIRECTORY**

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**Directors:**

Mr Norman A. Seckold (Chairman)  
Mr Oliver J. Davies (Managing Director)  
Mr Rimas A. Kairaitis  
Mr Richard G.M. Hill

**Company Secretary:**

Mr Richard W.C. Willson

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BRISBANE QLD 4000

**Solicitors:**

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